



**Rep. Louise M. Slaughter, D-N.Y., denounces new federal overtime regulations at a press conference in Cheektowaga.**

Adam Amato/Buffalo News

# Overtime heating up as election issue

*Rep. Louise Slaughter and Sen. Hillary Rodham Clinton blast Bush administration's new overtime pay rule*

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NEWS BUSINESS REPORTER

U.S. Rep. Louise Slaughter blasted the Bush administration's overtime pay rule as it took effect on Monday, calling it a gift to big business that will hurt Buffalo's economy.

"Western New Yorkers are struggling to make ends meet . . . and the Bush administration decides to yank overtime pay," she said.

Flanked by a dozen labor leaders at a union hall in Cheektowaga, Slaughter, D-Fairport, said the rule threatens up to 40 percent of workers with the loss of their time-and-a-half premium for overtime work.

The rule, issued by the Labor Department, took effect on Monday after months of opposition from Democrats and unions. Rallies in Washington and around the country indicated

that overtime is heating up as an election-season issue. Sen. Hillary Rodham Clinton issued a statement calling the rule a pay cut that exacerbates job losses and falling wages.

But predictions about the rule's effects are sharply divided. The U.S. Labor Department says its regulation, published in April, clarifies murky language and strengthens overtime rights for 6.7 million workers.

Starting Monday, employers must pay overtime to workers who earn less than \$455 a week, up from the previous threshold of \$155. They may also revoke overtime for workers making over \$100,000 who perform some white-collar duties.

What happens to workers who fall between the income limits is the focus of the debate. The rule modifies exemptions for white-collar professionals, executives and administrators.

An analysis by a union-backed Economic Policy Institute says the new exemption language will deny overtime for up to 6 million workers. Companies will be able to put lower-level wage earners into salaried categories reserved for white-collar executives and administrators, the group claims.

It will be up to employers how to respond to the exemptions. Business groups have complained for years that unclear overtime rules are spawning a welter of lawsuits.

The Labor Department's Wage and Hour division will take new enforcement steps in the near future, after hearing recommendations from an eight-person task force, said Alfred B. Robinson Jr., acting administrator of the division.

"The great majority of our enforcement activity stems from complaints we receive from employees," he said. He wouldn't comment on additional enforcement measures the division may take.

See **Overtime** on Page B8

## Cuts in overtime will be felt widely

**OVERTIME** • from B7

While the income limits take effect immediately, other changes could take months or years to be carried out, as employers examine new language on exemptions.

Slaughter said she hasn't yet heard from anyone who has lost their overtime pay.

"I think most people don't know what's coming yet," she said.

Union workers usually have overtime rights guaranteed in their contract, but that doesn't mean they're unaffected by the rule change, labor leaders said. Lower pay at non-union workplaces brings pressure on unions to follow suit, they said.

"You have that constant downward pressure," said Sam Williams, community action program director at United Auto

Workers Region 9. When unions and employers sit down to bargain, "there's no doubt in my mind it'll be brought up," he said.

John Kaczorowski, president of the AFL-CIO Buffalo Council, said cuts in overtime will be felt widely.

"That takes money out that's not spent in the economy," he said. Overtime in paychecks "is people paying their mortgage, paying for an automobile."

But some experts aren't convinced the rule will bring dramatic results.

"A lot of the rhetoric is extreme," said Howard G. Foster, a professor of industrial relations at the University at Buffalo School of Management.

Foster reviewed the initial rule before a revision was released this spring. He said the income limits are about the only unambiguous changes. Other language changes

said to to widen the exemptions seemed to him subjective and open to interpretation.

"The major aim was to make it less ambiguous — to get rid of a lot of the litigation that feeds on the ambiguity," he said.

An amendment to block implementation is part of the bill that funds the Labor Department, Slaughter said, reprising earlier attempts to stop the overtime rule.

On Monday several hundred union members marched outside the Labor Department building in Washington in protest, joined by Democrats Sen. Arlen Specter of Pennsylvania and Tom Harkin of Iowa.

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